

Message Text

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63/11

ACTION EUR-12

INFO OCT-01 ISO-00 PA-02 PRS-01 USIA-15 EB-07 COME-00

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6192

UNCLAS OTTAWA 01422

C O R R E C T E D C O P Y FOR ADDITIONAL TAGS AND SUBJECT

E.O. 11652: N/A

TAGS: EFIN SCUL CA ETEL

SUBJ: LEGISLATION TABLED ON TAX PROVISIONS AFFECTING TIME AND
READER'S DIGEST AND BORDER TV STATIONS.

REF: OTTAWA 976

1. IN ABSENCE OF MINFIN TURNER, SECRETARY OF STATE HUGH FAULKNER TABLED ON APRIL 17 "NOTICE OF WAYS AND MEANS MOTION TO AMEND THE INCOME TAX ACT". THIS ACTION WAS FORMAL NOTICE THAT ACTUAL AMENDMENT LEGISLATION WOULD BE INTRODUCED APRIL 18. AMENDMENT WILL EFFECTIVELY REPEAL SECTION OF INCOME TAX ACT ALLOWING CANADIAN ADVERTISERS/ 1) DEDUCT ADVERTISING EXPENSES FRO FEDERAL INCOME TAX PURPOSES IN A NON-CANADIAN NEWSPAPER OR PERIODICAL (READ TIME AND READER'S DIGEST), AND 2) DEDUCT ADVERTISING EXPENSES FOR ADVERTISEMENTS PLACED IN FOREIGN (READ US BORDER TELEVISION STATIONS) BROADCAST MEDIA DIRECTED TO CANADIAN MARKETS.
2. TEXT OF NOTICE AS FOLLOWS:

"THAT IT IS EXPEDIENT TO AMEND THE INCOME TAX ACT
AND TO PROVIDE, AMONG OTHER THINGS:

1. THAT SECTION 19 OF THE SAID ACT BE
AMENDED TO REMOVE THERFROM, IN THE CASE
OF AN ISSUE OF A NON-CANADIAN NEWSPAPER
OR PERIODICAL DATED AFTER DECEMBER 31, 1975,
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THE PROVISIONS SET OUT IN SUBSECTIONS (2)

AND (4) THEREOF THAT PERMIT THE DEDUCTION
OF ADVERTISING EXPENSES IN CERTAIN ISSUES
OF NEWSPAPERS AND PERIODICALS IN COMPUTING
INCOME OF A TAXPAYER FOR A TAXATION YEAR,
AND

2. THAT A TAXPAYER IN COMPUTING HIS INCOME
SHALL NOT BE ENTITLED TO DEDUCT AN OTHERWISE
DEDUCTIBLE OUTLAY OR EXPENSE MADE OR INCURRED
BY HIM AFTER THE COMING INTO FORCE OF ANY
ENACTMENT BASED ON THIS PARAGRAPH FOR AN
ADVERTISEMENT DIRECTED PRIMARILY TO A
MARKET IN CANADA AND BROADCAST BY A FOREIGN
BROADCASTING UNDERTAKING."
PORTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Draft Date: 18 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Drafter: n/a
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Margaret P. Grafeld
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